

Short Term Rental Ordinance

June 20, 2023





Agenda



1. General overview of license program
2. Present ordinance to license short term rentals, and ordinance updates made after work session
3. Consider 1st reading of ordinance



License Program Highlights

- Regulates residential units rented for less than 30 days
- Annual license with fee of \$175
- Application through existing LodgingRev software, managed by Customer Service
- Requires annual notification of neighbors
- Provides emergency contact information
- Specifies grounds for license approval, denial and suspension
- Creates penalties for non-compliance



Ordinance Updates

Application

- Revised to require owner to submit a statement that owner is not a sex offender or convicted of certain felonies (versus simply stating that the owner may not be a sex offender or convicted of certain felonies)
- Revised to require owner to submit an attestation that neighborhood notification has been completed (versus promising to complete it later after the license is issued but before offering a STR for rent)



Ordinance Updates

Application

- Added that the owner's email address and telephone number will not be public information unless the owner is designated as the emergency point of contact.
- Added that the application may request the owner to disclose whether the STR is owner-occupied.



Ordinance Updates

Prohibited Uses

- Added a statement that a STR may not be used for sex trafficking.

Neighbor Notification

- Clarified that any neighboring property touching the STR property needs to be notified (including those behind the STR).
- Added that in a multi-family building, notice must be provided to units directly above and below the STR (not just on same floor).



Ordinance Updates

Posting on the Property

- Clarified that notice of the STR license number and prohibited uses must be posted inside the STR
- Removed the owner's name from the notice
- Removed the emergency contact's email address
- Added the City's emergency/complaint hotline telephone number



Ordinance Updates

Verified Violations

- Added that if the owner knowingly or intentionally allows sex trafficking in the STR, then this is grounds for suspension of a license

Penalties for Verified Violations

- Clarified that STR owner penalties for verified violations are enhanced penalties (state law refers to them as enhanced)

Schedule of Events

Event	Date
SB1168 signed by Governor	July 2, 2022
Council gave staff direction to begin creating a Short-Term Rental Licensing System in Flagstaff	Oct. 11, 2022
Open House to gather feedback from the community on draft ordinance	March 27, 2023
Rate analysis completed	April 21, 2023
60-day fee notice	April 21, 2023
Staff presents draft ordinance to Council, incorporating community feedback	May 9, 2023
1st read of ordinance	June 20, 2023
2nd read of ordinance and fee adoption	July 3, 2023
Ordinance effective date - Fee payment and licensing process begins	Effective Nov. 1, 2023



Questions and feedback

